

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6459

BILL NUMBER: SB 542

NOTE PREPARED: Dec 22, 2012

BILL AMENDED:

SUBJECT: Micro Markets.

FIRST AUTHOR: Sen. Mishler

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a retail food establishment that is a micro market is not required to have a person in charge present at the micro market if certain requirements are met.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* This bill is expected to have no fiscal impact as the Indiana State Department of Health (ISDH) will still be required to provide oversight and regulation of micro markets as required by the federal Food Safety Modernization Act.

Additional Information: As of January 2011, the federal government passed the Food Safety Modernization Act that creates enhanced mandates for the regulation of food safety. The Food Safety Modernization Act includes regulation of micro markets, as defined in the law.

Specifying in Indiana Code that a micro market can operate as a food establishment without a person present if certain conditions are met will violate regulations contained in the federal Food Safety Modernization Act. The Indiana State Department of Health (ISDH) would still have to regulate micro markets in compliance with the federal Food Safety Modernization Act.

The ISDH reports there are two particular instances where micro markets were cited for violation of having a person in charge present at the place of business, but fines or penalties were not issued for these violations.

Explanation of State Revenues: *Summary:* By codifying an exemption for a micro market in Indiana Code, the state could possibly lose federal funding that will be made available to enforce provisions of the Food Safety Modernization Act. Any impact in federal funding the state could receive is unknown.

Additional Information: The federal government has announced that funding for state and local governments will be made available to assist in enforcing provisions of the Food Safety Modernization Act.

The federal Food and Drug Administration (FDA) has recently issued two requests for applications (RFAs) related to state and local ability to undertake inspections of food establishments. These RFAs were published in June of 2012 and provided a total of \$15 M in funding for states and local units in FY 2011, and in FY 2012 the FDA expects to provide approximately \$10 M in grant funding for state and local units.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ISDH.

Local Agencies Affected:

Information Sources: U.S. Food and Drug Administration; Scott Zarazee, ISDH.

Fiscal Analyst: Bill Brumbach, 232-9559.